SECTORAL REPORT

YUKON DEVELOPMENT STRATEGY

TOURISM

YUKON · 2000

Building the Future

Yukon
Government

BUILDING THE FUTURE

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YUKON 2000: BUILDING THE FUTURE

1. INTRODUCTION/MESSAGE FROM THE MINISTER

The Tourism industry is a critical component of the Yukon economy, and as such, forms a major element of the Yukon 2000 process.

The Yukon Tourism Strategy has been proceeding since March of this year. The Strategy is being undertaken to set direction for tourism marketing and development programs for the next five to ten years.

The purpose of this paper is to summarize progress to-date and to present to the broad economic community a collective vision of those most directly involved in and impacted by the tourism industry. People within the industry have contributed their time, effort and expertise to the project, with the ultimate aim of expanding and improving upon the success of the industry. We hope that others will review this work with the consensus that has emerged, and will comment on it, and provide their support. The result will be enhanced economic stability and long-term benefits for all of us.

David P. Porter, Minister of Tourism

2. APPROACH/METHOD

A market-driven approach was taken for strategy review, recognizing the increasingly competitive and market-sensitive nature of the tourism industry. This approach has allowed for a critical review of existing and potential markets before specific development projects and marketing are addressed. Once we determine what the market potentials are, we can examine the development requirements and service these markets. We can also review marketing programs and attract new markets to our Territory.

This is intended as a development and marketing strategy, not a development or marketing plan. It indicates generally where we should direct our efforts, but does not indicate, for example, the specific media or specific attractions that should be used or developed. Roads, airports, parks and community development all effect the nature and success of the tourism industry. Many tourism programs are development-based: Special Events, Streetscape and Signs help set the physical and visual environment for travellers. While a marketing program attracts the tourist, it is attractions or facilities which host travellers and infrastructure which is necessary to service our visitors.

Like any product, we must be particular in the approach we pursue in developing and selling the Yukon tourism product. However, not all potential markets can be attracted at once due to costs, capacity and quality constraints. This is where we enter the strategy phase to evaluate and target initiatives.

It is also important to recognize that external constraints on flexibility exist. Established federal government positions and priorities as they relate to marketing and development of the Canadian tourism product must be taken into consideration, as must those of our neighbouring provincial and state jurisdictions with which we share both resources and markets.

It should be emphasized that the Tourism Strategy, like the broader Economic Strategy, will not result in a static document or represent unalterable positions. The exercises are dynamic in nature and will facilitate and require continuing work and change in the years ahead.

3. DIRECTIONS FOR A STRATEGY

The strategy exercise has been broken into four distinct phases:

1. General Industry Review;
2. Market Review:
3. Review of Strategy Alternatives; and,
4. Selected Strategy Development.

In phase two of the strategy, Market Review, the potential movement within each market segment highlighted which market segments offer new opportunity. Furthermore, the realities of attracting these segments were reviewed in terms of potential (room to move) by examining costs, capacity and the quality of our resources.

In the third phase, Strategy Alternatives, six directions for a strategy were discussed in the Yukon Tourism Strategy Discussion Paper. These are also detailed in a series of background papers which discuss visitor markets, potential volumes, expenditures and costs.

Ten year potentials for market growth were outlined in the Strategy Discussion Paper. These estimates provide a demand base from which it is possible to calculate development and marketing needs and identify constraints.

BUILDING THE FUTURE

Following is the result of phases 1 through 3 and the consultations which have taken place over the last several months. The proposed strategy establishes a general, yet comprehensive approach to development of the industry. It reflects consensus in many areas and compromise in others. Further comments on the strategy, as proposed, will be welcomed.

We will review comments received and then begin shortly to develop an action plan, expected to be completed early in the coming year. The completed plan will essentially detail and expand upon the general strategic directions established. In this final phase, as in previous ones, the interests and initiatives of other economic sections and the public at large will be considered and incorporated as sectoral positions and linkage issues emerge.

4. CONSULTATIONS

In order to produce a strategy based on industry and community advice and direction, a series of workshops and individual meetings have been held since April (see Appendix B).

Input has been received on the first three of the four-phase consultation program. Views were received from the outset on the general nature of the tourism industry, on the market potentials and, most recently on directions for a strategy.

A summary of the last meeting on strategy alternatives is attached as Appendix A.

5. AREAS OF AGREEMENT: PROPOSED DIRECTION

Some common points have now emerged from the consultations and help set the framework to develop the Strategy Action Plan.

The Strategy, presented herein, is not specifically one of the six presented but a strategy representing a new targetted approach towards destination marketing and development, while maintaining important elements of the Status Quo. This is primarily an incremental strategy, maintaining many of the existing arrangements and developing an action plan for new activities.

Several common or recurring points have emerged from industry consultations and should be incorporated into a Strategy:

- A more targetted approach is desirable for development and marketing efforts.
- Alternative strategies 5, 6 and to a lesser degree 4 are preferred over options 1, 2 or 3.
- New development and marketing initiatives should be targetted towards high return markets.
- High expenditure/investment requirements and low return rates are seen as disadvantages to non-targetted or general approaches.

- New program initiatives should not be at the expense of existing programs with proven success.
- Shoulder and off-season, particularly conference and sports activities, should be expanded.
- For specific markets, the Yukon should be developed as a destination.
- Capacity constraints exist for some markets during peak activity periods.
- Benefits to communities outside Whitehorse should be considered.
- Training and professionalism should be increased with attention to "Yukon hospitality" as an attraction.
- Additional and improved attractions are necessary, particularly close to main traffic routes.
- Joint or cooperative arrangements with Alaska should continue.
- Continued evaluation of all development and marketing programs is needed.

PROPOSED YUKON TOURISM DEVELOPMENT STRATEGY

IMPLICATIONS OF STRATEGY

A. INTENTION OF STRATEGY

Emphasize growth markets/ service continuing markets = Encourage markets which provide highest dollar returns based on combination of high per diem expenditures and existing or potential market size.

Key markets are emphasized and given additional assistance while other existing markets are maintained or not hindered.

Growth can result from increasing volumes and expenditures of existing markets and from development of high potential new markets.

B. MARKET SEGMENTS EMPHASIZED

Touring RV - Independent	Adventure Travel
Touring RV - Fly/Drive	Wilderness Sport Fishing
Conventions	Sports
Tour Bus - Cruise - Overnight	Tour Bus - Fly/Bus/F.I.T.

C. MARKET SEGMENTS MAINTAINED

Business	Business/Pleasure
Visiting Friends and Relatives	Hunting
Trophy Sport Fishing	Tour Bus - Overland
Touring Auto - Campers	Touring Auto - Hotel/Motel Users

D. OPPORTUNITIES

- Encourages markets that will extend the operating seasons for major tourism facilities (improve viability and extend jobs).

- Supports a wide range of local businesses, owner operated and/or franchise (attractions, accommodations, souvenirs, transportation, groceries, food and beverage, entertainment, advertising/marketing, guiding).
- Leakage of tourism dollars is minimized, benefits are spread around Territory.
- Works with marketing momentum built-up in past tourism efforts.
- Acknowledges fish and wildlife limitations of Yukon.
- Encourages developing a somewhat younger market overall and hence, potential for repeat visits.
- Supports increased use of Yukon as destination while recognizing reality of touring markets bound for Alaska.
- Adopts a more efficient targetted approach to development and marketing.
- Encourages out-of-Yukon and out-of-Canada expenditures in Yukon.
- Capital cost and operating projections within industry and government capabilities.
- Encourages markets that purchase crafts and souvenirs (e.g. conventions, foreign fly/RV, foreign fly/bus).
- Maintains traditional high volume "successful" markets.
- Provides opportunities for Native involvement in range of tourism businesses.
- Offers potential for spreading benefits of tourism around Territory.
- Strengthens peak and shoulder season markets for air access to and within Yukon.

E. CHALLENGES

- Requires airline commitments to establish schedules and capacity.
- Liability insurance for wilderness operators is necessary for continued success in this market.
- Suggests Yukon review the type of marketing arrangements with Alaska.
- Some of the markets maintained have long-term limited growth prospects.
- Supports the need for more training for many tourism industry groups.
- Requires increased professionalism and training for many tourism industry groups. Tourism industry must be able to deliver what it promises.

F. POLICY CHANGES WILL BE REQUIRED

Both the tourism industry itself and organizations within government will require policy changes. In many cases, the ground work for these policy changes has already been laid or existing policies require additional support. In other cases, new policy directions must be given and supported. Continued coordination of government policies will also be required. (See Appendix C)

6. THE NEXT STEPS: AN ACTION PLAN FOR IMPLEMENTATION

Now that general agreement has been reached on a preferred strategy, an action plan that details specific activities to put the strategy into effect will be developed. The items that will be addressed include:

- Directions to guide marketing activities.
- Evaluation criteria for development applications.
- Roles for government departments, organizations, and other groups affected by, or impacting on tourism development.
- Identification of specific development and marketing projects and activities that will be needed to meet particular target segment objectives.
- A priority ranking of key items in the action plan that are critical to the success of the strategy.
- Training needs and development of appropriate programs.
- Monitoring and evaluation of the strategy on an ongoing basis.
- Other research needs.
- Phasing of activities on a short, medium and longer-term basis.

- Order-of-magnitude cost estimates for various expenditure components associated with the strategy.

The action plan will be completed during the next two to three months and then presented to involved government departments, private sector associations and joint industry - Government bodies such as the Cooperative Marketing Council for their reference and guidance in developing specific program initiatives.

Further discussions will also be held between government and industry associations on the most effective ways to maintain or further develop necessary ongoing consultative mechanisms to help us reach our collective objectives.

APPENDIX A

SUMMARY OF OCTOBER 4, 1986, TOURISM SECTOR CONFERENCE

Background:

The October 4, 1986, Tourism Sector Conference, which was part of the Yukon 2000 process, represented the third and largest industry meeting on the Department's Tourism Strategy. Approximately 56 individuals participated, of which 37 were private sector representatives. A total of 80 were invited. Prior to the Conference, individual meetings were held with major interest groups and key individuals.

The Conference consisted of three components. First, a 45-minute review was presented by the Department and the consultants of progress to-date on research, market interviews and the selection of six alternative strategies for discussion purposes.

The second component of the October 4, 1986, conference placed participants in small workshops. Participants were selected for each workshop with an attempt to balance the membership by the various industry sectors or interest (eg. Native, bus/cruise/hotel, fishing, hunting, wilderness). An impartial Facilitator and Reporter were attached to each group.

Following the workshops, each Facilitator reported on the strategy reviews. The verbatim transcript of these reports is available on request.

Workshop Results:

Group 1:

Strategy 4 (increasing both volumes and spending) was selected emphasizing Alaskans as tourists and the joint Alaska/Yukon marketing programs. However, the group also suggested that Yukon be developed and marketed "as a destination through specific and appropriate markets". This latter statement leans towards a targetted approach as described in Strategies 5 and 6. A need for increased industry training and professionalism was identified. Potential "peak capacity problems" make additional volumes difficult in specific sectors.

Group 2:

Strategies 5 and 6 (targetted to high expenditures, concentration on Yukon as a destination) were selected, with the caveat that new directions should not be at the expense of existing markets. The relationship with Alaska should be maintained as the backbone or base. There was emphasis on community benefits, outside Whitehorse. There should not be an emphasis on increasing or continuing to attract large volumes that have a low rate of return. Concern was expressed with Strategy 4 regarding the level of expenditures required and poor targetting.

Group 3:

Strategy 6 was selected with the addition of concentrating on "drive-thru RV traffic". There was also an emphasis on keeping the cooperative arrangement that presently exists with Alaska. They thought the Status Quo was presently more narrow than presented and represents a concentration on convention, sports, touring, independent R.V. travel and to some extent, adventure travel.

Group 4:

Strategy 5 was favoured with some elements of the 6th strategy option. An emphasis was placed on testing or evaluated marketing programs. Extending visitor length of stay was viewed appropriate in non-peak capacity periods. New attractions were necessary with more emphasis on the Native and cultural experiences. Strategies 5 and 6 contained particular markets that are less susceptible to economic downturns. Yukon hospitality was highlighted as an attraction. Care should be taken in allowing government facilities to compete with commercial operators (eg. campgrounds).

Sentiment to maintain marketing arrangements with Alaska was expressed. The small plane market was seen as having potential.

Group 5:

Strategy 6 was selected. Yukon should be developed as a destination point with an emphasis on improving the quality of facilities and the number of attractions. There "is still a feeling that there should be a continuation of the joint agreement with Alaska" Other points included Alaska as an important market at close to a half million people, increased transportation services to Dawson and expansion of the May and September periods. Conventions were deemed important but convention spin-offs to other communities should be emphasized through pre and post tours to other communities. The list of market segments under Strategy 6 should be expanded.

Marketing with Alaska is important but no expansion should take place due to capacity problems.

APPENDIX B

TOURISM DEVELOPMENT STRATEGY
CHRONOLOGY

	Prelude
December 14	Cabinet Direction to develop a strategy
December 23 - January 7	Consultant proposals solicited
January 28	Consultants hired
	Phase I: Preview of Existing Situation
February 20	Steering Committee #1
April 3	Government Workshop #1 at Mt. McIntyre Recreation Centre
	Phase II: Market Assessment
May 8	Industry/public Workshop #1 Market Review at Lakeview Marina
May 9	YVA presentation
June 12	Industry/public Workshop #2 Market Review Steering Committee #2A after Market Review Session Steering Committee #2B at end of Phase II
	Phase III: Strategy Selection
	CYI/YVA Meeting on markets
July 18	Steering Committee #3 Yukon College on alternatives
August 26	Yukon Economic Council Presentation
September 18	Cabinet Approval release of Strategy Options Discussion Paper
September 29 - October 2	Several meetings with industry representatives
October 3	Consultants/Department/DRIE/DIAND meeting
October 4	Industry/public Workshop #3 Strategy Selection at Sheffield Hotel
November 1 - November 2	Yukon 2000
	Phase IV: Action Plan
November 1986	
January 1987	

Group 6:

Majority of participants chose the targetting elements of Strategies 5 and 6. Greater emphasis on winter or at least shoulder season activity. Some thought that Government should be the prime mover in developing infrastructure and thus strategy development. Others thought Government should be both proactive and reactive, with continued interaction with the private sector. The process of October 4, 1986, should continue and not stop once an initial plan was developed. Apprehension was expressed with a non-directional high spending strategy. We should emphasize "old money", that part of the market that is recession proof. Some question a market-driven strategy which ignores the supply side - could cause infrastructure and social problems. We cannot just shut down present non-directional strategies.

Group 7:

Strategy 4 was selected but should be scaled-down. Fear exists over the large expenditures involved in Strategy 4 as presented. Increase in shoulder season activities is needed. The group liked the broad-brush approach. Concern was also voiced that Government will "hold industry to the decision-process that is reached here".

An increase in shoulder season activity and winter sports activities was emphasized.

Group 8:

The group tended to lean towards Strategy 4. Joint marketing with Alaska is important and nothing should be changed. Upgrading of attractions is needed particularly; short trip access off major highways. (Fish hatchery mentioned.) Access to Kluane Park is seen as a problem. Growth potential is seen in caravan trade. Emphasize keeping people in the Yukon an extra day or two. Conference and sports markets were mentioned as targetted methods with side trips to other communities. Shoulder and winter activity were seen as having potential.

<u>Consensus:</u>

The above represents a significant degree of consensus by industry representatives.

All groups stressed maintaining the base. Further, all groups agreed to targetting efforts towards high dollar and high return market segments. Differences existed only in the degree of emphasis to be placed on the status quo and new initiatives.

APPENDIX C

Key Policy Implications of Tourism Strategy

Tourism Industry	Tourism	Parks and Recreation	Community Services	Education	Fisheries/Renewable Resources	Transportation	Economic Development	Bureau of Statistics
• Cooperative Marketing for emphasized segments • Refocus to higher quality products • Need for more professional services, especially in adventure travel • Increased packaging • Provision of more services for RV's (repairs, rentals, guided tours, entertainment, etc. • More RV campgrounds, especially private, higher quality • Increased quality accommodations in Whitehorse & Dawson City • Improved airline schedules & special rates • Development of private attractions where known markets • Continued development of quality souvenirs & crafts	• Marketing change: - review Alaska - coop marketing - segmented marketing directed to explicit markets • Development of materials designed to hold and retain • Sub-agreements - attractions, some improved/ increased accomodation and development of businesses that serve emphasized markets • Development and staffing of public attractions with close proximity to highway • Major system of coordinated signage • Research marketing methods for key markets, tracking studies, visitor satisfaction, volumes • Image enhancement campaign	• Increased roadside development • More short trail networks near highways • Increased rates on all public sector attractions & facilities • Designation of wilderness recreation areas, park reserves or significant land mass • Data collection re campground & park use	• Continued revitalization and community improvements • Provision of site services for attractions • Higher building standards • Community plans that acknowledge tourism • Regional plans that addresses tourism needs	• Training for Interpretive programs wilderness guiding and craft production • Continued hospitality programs • Marketing programs • Packaging programs • Training for bus & RV service/maintenance	• More extensive fish management and stocking • Regulation of wilderness guides • Management of wilderness zones • Increased interpretive materials (routes, geology, wildlife)	• Encouragement of more stopping along routes • Continued BST program on major travel routes such as Top-of-the-World • Encouragement re use of selected back country routes for touring/ exploration • Development of passing lanes in key locations	• Directed use of various Native funding & Special ARDA Programs • Small business/ crafts assistance program	• Research on expenditures and economic spin-offs